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Sinopec Oilfield Service Corporation

(a joint stock limited company established in the People's Republic of China)

(Stock code: 1033)

First Quarterly Results 2023

This announcement is made by Sinopec Oilfield Service Corporation (the "**Company**") pursuant to Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the relevant regulations issued by the Shanghai Stock Exchange.

The board of directors (the "**Board**") of the Company hereby presents the first quarterly results of the Company and its subsidiaries for the three months ended 31 March 2023.

Important Highlights

1. The Board and the supervisory committee of the Company and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this quarterly report and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.
2. Mr. Chen Xikun, Chairman, Mr. Yuan Jianqiang, General Manager, Mr. Cheng Zhongyi, executive in charge of accounting work and Mr. Yang Yulong, manager of the accounting department of the Company warranted the authenticity, accuracy and completeness of the financial statements contained in this quarterly report.
3. The Company's first quarterly financial report for 2023 is unaudited.

§1. Key financial data

1.1 Key accounting data and financial indicators

Items	For the three months ended 31 March 2023 RMB'000	For the three months ended 31 March 2022 RMB'000		Increase/(decrease) from corresponding period of last year (%)
		Before the adjustment	After the adjustment	After the adjustment
Operating income	17,941,753	15,347,614	15,347,614	16.9
Net profit attributable to equity shareholders of the Company	145,114	68,290	74,179	95.6
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	164,011	49,132	55,021	198.1
Net cash inflow from operating activities (“-” for outflow)	-521,584	-902,539	-902,539	Not applicable
Basic earnings per share (in RMB)	0.008	0.004	0.004	100.0
Diluted earnings per share (in RMB)	0.008	0.004	0.004	100.0
Weighted average return on net assets (%)	1.9	1.0	1.1	Increased by 0.8 percentage
	As at 31 March 2023 RMB'000	As at 31 December 2022 RMB'000		Increase/(decrease) from corresponding period of last year (%)
		Before the adjustment	After the adjustment	After the adjustment
Total assets	71,390,840	71,200,517	71,208,016	0.3
Total equity attributable to equity shareholders of the Company	7,768,798	7,427,319	7,429,734	4.6

Explanation of the reasons for retroactive adjustment or restatement:

Pursuant to the requirement of the “Accounting of deferred income tax related to assets and liabilities arising from an individual transaction not applicable to initial recognition exemption” under the “Interpretation of Accounting Standards for Business Enterprises No. 16” (Accounting [2022] No.31, hereinafter referred to as Interpretation No.16) promulgated by the Ministry of Finance of China, as for the taxable temporary difference and deductible temporary difference arising from the initial recognition of assets and liabilities, the lessee shall recognize the corresponding deferred income tax liabilities and deferred income tax assets respectively when the transaction occurs while initial recognition of the lease liabilities and right of use assets. Since 1 January 2023, the Company has implemented the Interpretation No.16. The Company adjusted the cumulative impact amount to the opening retained earnings and other related financial statement items of the earliest period presented in the financial statements in accordance with the relevant regulations.

1.2 Extraordinary gain and loss items and amounts

Items	Amount during the reporting period (From 1 January 2023 to 31 March 2023) RMB'000	Statements
Gains or losses from disposal of non-current assets	-5,402	
Government grants recognised in profit or loss during the current period, except for government subsidies that are closely related to the company's normal business operations and that are in compliance with national policies and are subject to constant or fixed amount of certain standards	7,414	
Gains or losses from debt restructuring	10,500	
Other non-operating income and expenses excluding the aforesaid items	-34,118	
Other profit and loss items that meet the definition of extraordinary gain and loss	-1,020	Counted in investment disposal losses which included in investment income
Less: effect of income tax	-3,729	
Total	-18,897	

Statement on defining extraordinary items under “Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 - Extraordinary Profit and Loss” as recurrent items

Applicable Not Applicable

1.3 Statement on change of key accounting data and financial indicators

Applicable Not Applicable

Items	Ratio of change (%)	Main reasons for change
Net profit attributable to equity shareholders of the Company	95.6	Mainly due to the increase in operating income led to an increase in gross profit
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company	198.1	Mainly due to the year-on-year increase in net profit and year-on-year decrease in extraordinary gain and loss
Net cash inflow from operating activities	Not applicable	Mainly due to the increase in operating income and the settlement of owner's fund was accelerated
Basic earnings per share	100.0	Mainly due to the change of net profit attributable to equity shareholders of the Company during the reporting period
Diluted earnings per share	100.0	Mainly due to the change of net profit attributable to equity shareholders of the Company during the reporting period

§2. Information of shareholders

2.1 The total number of common shareholders and the shareholding of the top ten shareholders

Unit: Share

The total number of shareholders at the end of this reporting period	115,391	The total number of preferred shareholders with voting rights have been restored at the end of this reporting period (if any)	0			
Shareholdings of the top ten shareholders						
Names of shareholders	Nature of shareholders	Number of shares held at the end of the reporting period (shares)	Percentage to total share capital (%)	Number of shares with selling restrictions (shares)	Number of pledged, signed or frozen share	
					Shares status	Amounts
China Petrochemical Corporation ¹	State-owned legal person	10,727,896,364	56.51	0	none	0
Hong Kong Securities Clearing Company (Nominees) Limited (“ HKSCC (Nominees) Limited ”) ²	Overseas legal person	5,402,190,694	28.46	0	none	0
CITIC Limited	State-owned legal person	411,469,800	2.17	0	none	0
Hong Kong Securities Clearing Company Limited ³	Other	188,411,905	0.99	0	none	0
Anhui Yang Guang Xin Tong Electronic Technology Co. Ltd	Domestic non-state-owned legal person	33,500,000	0.18	0	none	0
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	Other	25,712,700	0.14	0	none	0
China Merchants Securities Co., Ltd. - Tianhong China Securities 500 Index Enhanced Securities Investment Fund	Other	25,464,000	0.13	0	none	0
CITIC Bank Co., Ltd. - Jianxin China Securities 500 Index Enhanced Securities Investment Fund	Other	22,637,000	0.12	0	none	0
Li Feng	Domestic natural person	20,250,000	0.11	0	none	0
Shanghai Tongneng Investment Holdings Co., Ltd	Domestic non-state-owned legal person	20,250,000	0.11	0	none	0
Shareholdings of the top ten shareholders of shares without selling restriction						

Name of shareholders	Number of shares without selling restrictions held at the end of the reporting period (shares)	Type and Amount of shares	
		Type	Amount
China Petrochemical Corporation	10,727,896,364	A shares	10,727,896,364
HKSCC (Nominees) Limited	5,402,190,694	H shares	5,402,190,694
CITIC Limited	411,469,800	A shares	411,469,800
Hong Kong Securities Clearing Company Limited	188,411,905	A shares	188,411,905
Anhui Yang Guang Xin Tong Electronic Technology Co. Ltd	33,500,000	A shares	33,500,000
Agricultural Bank of China – China Securities 500 Trading Open Index Securities Investment Fund	25,712,700	A shares	25,712,700
China Merchants Securities Co., Ltd. - Tianhong China Securities 500 Index Enhanced Securities Investment Fund	25,464,000	A shares	25,464,000
CITIC Bank Co., Ltd. - Jianxin China Securities 500 Index Enhanced Securities Investment Fund	22,637,000	A shares	22,637,000
Li Feng	20,250,000	A shares	20,250,000
Shanghai Tongneng Investment Holdings Co., Ltd	20,250,000	A shares	20,250,000
Statement on the connected relationship or activities in concert among the above-mentioned shareholders	The Company is not aware of that there is any connected relationship or person acted in concert among the above-mentioned shareholders.		
Statement on the top ten shareholders and the top ten shareholders of shares without selling restriction participate in margin trading and short selling and financing business (if any)	No		

Note:

1. Apart from directly holding 10,727,896,364 A shares of the Company, China Petrochemical Corporation (“CPC”) also held 2,595,786,987 H shares of the Company through its wholly-owned subsidiary, Century Bright Company. Therefore, CPC directly and indirectly holds 13,323,683,351 shares of the Company, which represent 70.18% of the total shares of the Company.

2.HKSCC (Nominees) Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acts as an agent to hold H shares of the company on behalf of other companies or individual shareholders.

3. Hong Kong Securities Clearing Company Limited is a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, acts as a nominal holder to hold A shares of the Company in the Shanghai Stock Exchange on behalf of the investors of the Hong Kong Stock Exchange.

§3. Significant Events

Other important information about the Company's operation during the reporting period that need to be brought to the attention of investors.

Applicable Not applicable

In the first quarter of 2023, the Company vigorously improved its support capability in engineering and technical services, strengthened cooperation with oil companies for win-win outcomes, while steadily advancing its market development. The total cumulative amount of newly signed contracts reached RMB31.42 billion, representing a year-on-year increase of 5.6%, of which the newly signed contracts in the CPC market amounted to RMB18.1 billion, representing a year-on-year increase of 11.0%; the newly signed contracts in domestic external markets amounted to RMB7.89 billion, representing a year-on-year increase of 116.2%; the newly signed contracts in overseas markets amounted to RMB5.43 billion, representing a year-on-year decrease of 44.6%.

In the first quarter of 2023, the Company's consolidated revenue is RMB17.942 billion, representing a year-on-year increase of 16.9%, and net profit attributable to shareholders of the Company amounted to RMB145 million, representing a year-on-year increase of 95.6%.

§ 4. Financial statements of the first quarter

4.1 Type of audit opinion

Applicable Not Applicable

4.2 Financial statements

Consolidated Balance Sheet

As at 31 March 2023

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	As at 31 March 2023	As at 31 December 2022
Current assets:		
Cash at bank and on hand	1,837,084	1,838,229
Bills receivable	0	0
Accounts receivable	8,995,299	10,537,217
Accounts receivable financing	1,097,075	1,468,340
Prepayments	574,589	406,578
Other receivables	3,221,467	3,196,602
Including: Interest receivables		
Dividend receivables	540	540
Inventories	1,868,644	1,116,341
Contract assets	17,866,325	15,613,899
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	2,621,202	2,362,863
Total current assets	38,081,685	36,540,069
Non-current assets:		
Long-term receivable		
Long-term equity investments	35,459	50,215
Other equity instrument investments	134,492	134,492
Fixed assets	24,118,200	24,896,607
Construction in progress	480,879	467,385
Right-of-use asset	1,003,138	1,012,350
Intangible assets	440,362	481,490
Long-term deferred expenses	6,729,090	7,255,439
Deferred income tax assets	367,535	369,969
Other non-current assets	0	
Total non-current assets	33,309,155	34,667,947
Total assets	71,390,840	71,208,016
Current liabilities:		
Short-term loans	19,078,567	17,923,208

Bills payable	9,029,108	7,990,225
Accounts payable	24,155,637	25,601,228
Advances from customers		
Contract liabilities	4,321,262	5,115,819
Employee benefits payable	675,313	570,290
Taxes payable	745,417	998,894
Other payables	2,845,258	2,728,144
Including: Interest payable	16,500	21,885
Dividend payable		
Liabilities classified as held for sale		
Non-current liabilities due within one year	1,498,895	1,517,190
Other current liabilities	12	
Total current liabilities	62,349,469	62,444,998
Non-current liabilities:		
Long-term loans	453,532	480,557
Lease liability	444,422	497,045
Long-term payable	92,783	74,657
long-term employment benefits payable		
Provisions	193,801	200,998
Deferred income	13,636	11,576
Deferred tax liabilities	74,399	68,451
Other non-current liabilities		
Total non-current liabilities	1,272,573	1,333,284
Total liabilities	63,622,042	63,778,282
Shareholders' equity:		
Share capital	18,984,340	18,984,340
Capital reserve	11,717,773	11,717,773
Other comprehensive income	5,232	5,232
Specific reserve	520,933	326,983
Surplus reserve	200,383	200,383
Retained earnings	-23,659,863	-23,804,977
Equity attributable to shareholders of the Company	7,768,798	7,429,734
Minority interests		
Total shareholders' equity	7,768,798	7,429,734
Total liabilities and shareholders' equity	71,390,840	71,208,016

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Executive in charge of accounting work: Mr. Cheng Zhongyi

Manager of accounting department: Mr. Yang Yulong

Consolidated Income Statement
For the three months ended 31 March 2023

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 31 March 2023	For the three months ended 31 March 2022
1. Total Operating Income	17,941,753	15,347,614
Including: Operating Income	17,941,753	15,347,614
2. Total Operating Costs	17,681,249	15,250,605
Including: Operating Costs	16,658,197	14,197,606
Business taxes and surcharges	65,690	49,910
Selling and distribution expenses	12,693	12,233
General and administrative expenses	482,479	493,596
Research and development expenses	210,757	310,442
Finance expenses	251,433	186,818
Including: Interest expenses	171,276	149,843
Interest income	3,084	1,984
Add: Other income	11,404	17,325
Investment income (“-” for losses)	9,477	8,146
Including: Investment income in associates and joint ventures	-3	-276
Gain from derecognition of financial assets measured at amortized cost (“-” for losses)	10,500	8,422
Exchange gains (“-” for losses)		
Credit impairment losses (“-” for losses)		4,118
Impairment of assets (“-” for losses)	108	134
Gains from assets disposal (“-” for losses)	-6,202	3,433
3. Operating profit (“-” for losses)	275,291	130,165
Add: Non-operating income	12,962	19,070
Less: Non-operating expenses	46,280	21,640
4. Total profit (“-” for losses)	241,973	127,595
Less: Income tax expenses	96,859	53,416
5. Net profit for the period (“-” for losses)	145,114	74,179
(1) Classification according to operation continuity		
Including: Net profit from continuing operations (“-” for net loss)	145,114	74,179
Net profit from discontinued operations (“-” for net loss)		
(2) Classification according to attribute		
Including: Shareholders of the company (“-” for net loss)	145,114	74,179

Profit and loss of minority shareholders (“-” for net loss)		
6. Other comprehensive net income after tax	0	0
7. Total comprehensive income for the period	145,114	74,179
Attributable to the owners of parent company	145,114	74,179
Attributable to minority shareholders of the Company		
8. Earnings per share:		
(1) Basic earnings per share (in RMB)	0.008	0.004
(2) Diluted earnings per share (in RMB)	0.008	0.004

Profit from combined party before business combination under common control was RMB 0 during the current period. Profit from combined party before business combination under common control was RMB 0 during the prior period.

Legal Representative: Mr. Chen Xikun General Manager: Mr. Yuan Jianqiang

Executive in charge of accounting work: Mr. Cheng Zhongyi Manager of accounting department: Mr. Yang Yulong

Consolidated Cash Flow Statement
For the three months ended 31 March 2023

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

Item	For the three months ended 31 March 2023	For the three months ended 31 March 2022
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	14,706,422	12,354,400
Refund of taxes	13,269	889
Cash received relating to other operating activities	3,947,149	2,680,242
Sub-total of cash inflows	18,666,840	15,035,531
Cash paid for goods and services	11,889,590	9,805,546
Cash paid to and for employees	3,178,874	2,927,108
Cash paid for all types of taxes	478,128	427,300
Cash paid relating to other operating activities	3,641,831	2,778,116
Sub-total of cash outflows	19,188,424	15,938,070
Net cash flow from operating activities (outflow listed with “-”)	-521,584	-902,539
2. Cash flows from investing activities:		
Cash received from disposal of investment		
Cash received from investment income	1,750	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,536	4,442
Net cash received from disposal of subsidiaries and other business units		

Cash received relating to other investing activities		
Sub-total of cash inflows	5,286	4,442
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	281,474	229,123
Cash paid for the investments		
Net cash paid for acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	281,474	229,123
Net cash flow from investing activities (outflow listed with “-”)	-276,188	-224,681
3. Cash flows from financing activities:		
Cash received from the acquisition of investments		
Cash received from borrowings	8,358,259	5,049,148
Cash received relating to other financing activities		
Sub-total of cash inflows	8,358,259	5,049,148
Cash paid for repayments of borrowings	7,201,274	4,456,712
Cash paid for distribution of dividend, profit or payments of interests	158,176	123,601
Cash paid relating to other financing activities	169,569	111,263
Sub-total of cash outflows	7,529,019	4,691,576
Net cash flow from financing activities	829,240	357,572
4. Effect of exchange rate changes on cash and cash equivalents	4,466	15,213
5. Net increase in cash and cash equivalents	35,934	-754,435
Add: Cash and cash equivalents at the beginning of the period	1,801,150	2,475,306
6. Cash and cash equivalents at the end of the period	1,837,084	1,720,871

Legal Representative: Mr. Chen Xikun

General Manager: Mr. Yuan Jianqiang

Executive in charge of accounting work: Mr. Cheng Zhongyi

Manager of accounting department: Mr. Yang Yulong

4.3 The adjustment of the financial statements at the beginning of the year for the first time implementing of new leasing standards since 2023

Applicable Not applicable

By order of the Board
Shen Zehong
Company Secretary

26 April 2023, Beijing

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun#, Mr. Yuan Jianqiang#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Mr. Zhou Meiyun+, Mr. Chen Weidong, Mr. Dong Xiucheng* and Mr. Zheng Weijun*.*

Executive Director

+ Non-Executive Director

** Independent Non-Executive Director*